

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

E-04100A
Southwest Transmission Cooperative, Inc.
PO Box 2195
Benson, Az 85602

RECEIVED
APR 15 2011
ACC UTILITIES DIRECTOR

ANNUAL REPORT
Electric

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

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4-19-11

4-20-11

COMPANY INFORMATION

Company Name (Business Name) <u>Southwest Transmission Cooperative, Inc.</u>			
Mailing Address <u>PO Box 2195</u>			
(Street)			
<u>Benson</u>	<u>AZ</u>	<u>85602</u>	
(City)	(State)	(Zip)	
<u>520-586-5566</u>	<u>520-586-5279</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>1000 So. Hwy 80</u>			
(Street)			
<u>Benson</u>	<u>AZ</u>	<u>85602</u>	
(City)	(State)	(Zip)	
<u>Same as Above</u>			
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

X Regulatory Contact:			
<input type="checkbox"/> Management Contact:			
<u>Joe King</u>		<u>Sr. Financial Analyst</u>	
(Name)		(Title)	
<u>1000 So. Hwy 80</u>	<u>Benson</u>	<u>AZ</u>	<u>85602</u>
(Street)	(City)	(State)	(Zip)
<u>520-586-5129</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address: <u>jking@ssw.coop</u>			
On Site Manager: <u>James C. Burson</u>			
<u>1000 So. Hwy 80</u>	<u>Benson</u>	<u>AZ</u>	<u>85602</u>
(Street)	(City)	(State)	(Zip)
<u>586-5219</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address: <u>Jburson@swtransco.coop</u>			

Statutory Agent: <u>Roy Lyle</u>		<u>Lewis & Roca LLP</u>	
(Name)			
<u>One South Church #700</u>	<u>Tucson</u>	<u>AZ</u>	<u>85701</u>
(Street)	(City)	(State)	(Zip)
<u>520-529-4466</u>	<u>520-879-4730</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>Same as above</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address: <u>kyle@lrlaw.com</u>			

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input checked="" type="checkbox"/> Other (Describe) <u>Cooperative Corporation IRC 501 9c) 12</u>	

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input checked="" type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input checked="" type="checkbox"/> GRAHAM	<input checked="" type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input checked="" type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input checked="" type="checkbox"/> PIMA	<input checked="" type="checkbox"/> PINAL
<input checked="" type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

X Electric

- ☐ Investor Owned Electric
- X Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
- X Transmission Service Provider
- ☐ Meter Service Provider
- ☐ Meter Reading Service Provider
- X Billing and Collection
- X Ancillary Services
- ☐ Generation Provider
- ☐ Aggregator/Broker

☐ Other (Specify)_____

STATISTICAL INFORMATION

Total number of customers	_____
Residential	_____
Commercial	_____
Industrial	_____
Public Street and Highway lighting	_____
Irrigation	_____
Resale	_____
Total kilowatt-hours sold	_____ kWh
Residential	_____
Commercial	_____
Industrial	_____
Public Street and Highway lighting	_____
Irrigation	_____
Resale	_____
Maximum Peak Load	_____ MW

COMPANY NAME: Southwest Transmission Cooperative, Inc.

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-211.B	Termination with Notice R14-2-211	OTHER
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
TOTALS →				

OTHER (description):

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED

APR 15 2010

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Cochise
NAME (OWNER OR OFFICIAL) TITLE Patrick F. Ledger, Executive Vice President and CEO
COMPANY NAME Southwest Transmission Cooperative, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

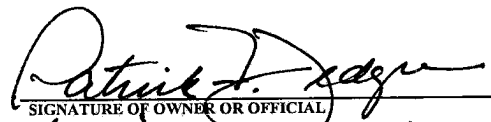
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>-0-</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)


SIGNATURE OF OWNER OR OFFICIAL
(520) 586-5110
TELEPHONE NUMBER

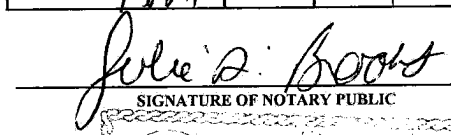
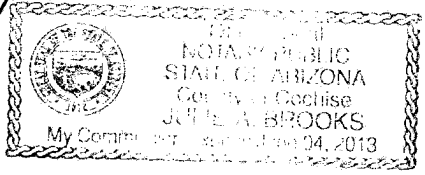
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF
(SEAL)

COUNTY NAME: Cochise
MONTH <u>April</u> YEAR <u>2011</u>

MY COMMISSION EXPIRES 6/4/13


SIGNATURE OF NOTARY PUBLIC


**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED
APR 15 2011
ACC UTILITIES DIRECTOR

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME): Cochise	
NAME (OWNER OR OFFICIAL) Patrick F. Ledger	TITLE Executive Vice President & CEO
COMPANY NAME: Southwest Transmission Cooperative, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

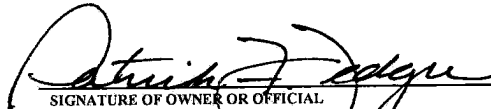
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>0</u>
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL
(520) 586-5110
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

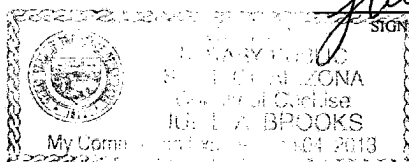
14th

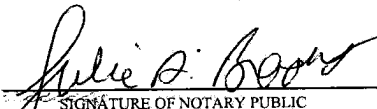
DAY OF

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME Julie A. Brooks	
COUNTY NAME Cochise	
MONTH April	2011




SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the Company year-end (Calendar Year 2010) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

USDA-RUS		BORROWER DESIGNATION			
OPERATING REPORT - FINANCIAL		ARIZONA 31			
		BORROWER NAME AND ADDRESS			
		SOUTHWEST TRANSMISSION COOPERATIVE, INC. P.O. BOX 2195 BENSON, ARIZONA 85602			
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-3		PERIOD ENDING	RUS USE ONLY		
		31-Dec-10			
CERTIFICATION					
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.					
ALL INSURANCE REQUIRED BY PART 1788 OF 7CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.					
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT		DATE			
SIGNATURE OF MANAGER		DATE			
SECTION A. STATEMENT OF OPERATIONS					
ITEM	YEAR-TO-DATE			THIS MONTH	
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	(d)	
1. Electric Energy Revenues	0	0	0	0	
2. Income From Leased Property - Net	0	0	0	0	
3. Other Operating Revenue and Income	35,256,945	34,542,603	0	2,723,782	
4. Total Oper. Revenues & Patronage Capital (1 thru 3)	35,256,945	34,542,603	0	2,723,782	
5. Operation Expense - Production - Excluding Fuel	0	0	0	0	
6. Operation Expense - Production - Fuel	0	0	0	0	
7. Operation Expense - Other Power Supply	4,799,509	4,015,618	0	501,554	
8. Operation Expense - Transmission	10,875,822	10,334,102	0	860,167	
9. Operation Expense - Distribution	0	0	0	0	
10. Operation Expense - Consumer Accounts	0	0	0	0	
11. Operation Expense - Consumer Service & Information	0	0	0	0	
12. Operation Expense - Sales	0	0	0	0	
13. Operation Expense - Administrative & General	4,132,881	4,797,211	0	459,523	
14. Total Operation Expense (5 thru 13)	19,808,212	19,146,931	0	1,821,244	
15. Maintenance Expense - Production	0	0		0	
16. Maintenance Expense - Transmission	4,844,847	4,444,232	0	337,567	
17. Maintenance Expense - Distribution	0	0	0	0	
18. Maintenance Expense - General Plant	274,206	362,371	0	29,468	
19. Total Maintenance Expense (15 thru 18)	5,119,054	4,806,603	0	367,035	
20. Depreciation & Amortization Expense	4,980,704	5,432,523	0	467,387	
21. Taxes	0	0	0	0	
22. Interest on Long-Term Debt	5,222,239	5,362,331	0	472,423	
23. Interest Charged to Construction - Credit	-114,987	-21,005	0	-427	
24. Other Interest Expense	56,056	-469	0	296	
25. Other Deductions	477,091	671,002	0	464,889	
26. Total Cost of Electric Service (14 + 19 thru 25)	35,548,370	35,397,915	0	3,592,848	
27. Operating Margins (4 - 26)	-291,425	-855,312	0	-869,066	
28. Interest Income	72,362	81,310	0	6,608	
29. Allowance for Funds Used During Construction	0	0	0	0	
30. Income (Loss) from Equity Investments	0	0	0	0	
31. Other Nonoperating Income - Net	243,624	125,336	0	83,674	
32. Generation & Transmission Capital Credits	0	0	0	0	
33. Other Capital Credits & Patronage Dividends	16,722	3,388	0	1,557	
34. Extraordinary Items	0	0	0	0	
35. Net Patronage Capital or Margins (27 thru 33)	41,283	-645,278	0	-777,227	
ITEM	Mills/kWh (Optional Use by Borrower)				
36. Electric Energy Revenue Per kWh Sold		0.00			
37. Total Operation & Maintenance Expense Per kWh Sold		0.00			
38. Total Cost of Electric Service Per kWh Sold		0.00			
39. Purchased Power Cost Per kWh		0.00			

SECTION B. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	176,999,314	32. Memberships	900
2. Construction Work in Progress	6,599,089	33. Patronage Capital	9,438,264
3. Total Utility Plant (1 + 2)	183,598,403	a. Assigned and Assignable	0
4. Accum. Provision for Depreciation & Amort.	-76,819,841	b. Retired This Year	0
5. Net Utility Plant (3 - 4)	106,778,562	c. Retired Prior Years	0
6. Non-Utility Property - Net	0	d. Net Patronage Capital	0
7. Investment in Subsidiary Companies	0	34. Operating Margins - Prior Years	-33,880
8. Invest. in Assoc. Org. - Patronage Capital	40,208	35. Operating Margins - Current Year	-851,924
9. Invest. in Assoc. Org. - Other - General Funds	0	36. Non-Operating Margins	206,646
10. Invest. in Assoc. Org. - Other - Non-Gen. Funds	2,333,505	37. Other Margins and Equities	0
11. Investments in Economic Development Projects	0	38. Total Margins & Equities (32 + 33d thru 37) . .	8,760,006
12. Other Investments	0	39. Long-Term Debt - REA (Net)	0
13. Special Funds	96,470	(Payments-Unapplied \$)	-1,513,001
14. Total Other Property & Investment (6 thru 13)	2,470,183	40. Long-Term Debt - REA - Econ. Devel.(Net).	0
15. Cash - General Funds	739,921	41. Long-Term Debt - FFB - REA Guaranteed	99,803,011
16. Cash - Construction Funds - Trustee	0	42. Total Long-Term Debt - Other - REA Guaranteed	0
17. Special Deposits	43,200	43. Total Long-Term Debt - Other (Net).	15,478,016
18. Temporary Investments	6,611,561	44. Total Long-Term Debt (39 thru 43).	113,768,026
19. Notes Receivable - Net	0	45. Obligations Under Capital Leases - Noncurrent	0
20. Accounts Receivable - Sales of Energy (Net)	2,704,856	46. Accumulated Operating Provisions	0
21. Accounts Receivable - Net	640,300	47. Total Other Noncurrent Liabilities (45 + 46) . .	0
22. Fuel Stock	0	48. Notes Payable	0
23. Materials and Supplies - Other	2,176,168	49. Accounts Payable	1,263,822
24. Prepayments	2,080,350	50. Taxes Accrued	899,942
25. Other Current and Accrued Assets	17,100	51. Interest Accrued	1,468,848
26. Total Current and Accrued Assets (15 thru 25)	15,013,455	52. Other Current & Accrued Liabilities	393,055
27. Unamortized Debt Disc. & Extraord. Prop. Losses	722,991	53. Total Current & Accrued Liabilities (48 thru 52)	4,025,667
28. Regulatory Assets	0	54. Deferred Credits	430,338
29. Other Deferred Debits	1,998,847	55. Accumulated Deferred Income Taxes	0
30. Accumulated Deferred Income Tax	0	56. Total Liabilities and Other Credits	
31. Total Assets & Other Debits (5 + 14 + 26 Thru 30)	126,984,038	(38 + 44 + 47 + 53 thru 55)	126,984,038

SECTION C. NOTES TO FINANCIAL STATEMENTS

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
(IF ADDITIONAL SPACE IS NEEDED, USE SEPERATE SHEET.)